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VI Public Services Commission
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VIRGIN ISLANDS
**WATER
AND POWER
AUTHORITY**

Office of the Executive Director

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November 26, 2019

Via Hand Delivery & Electronic Transmission

Mr. Raymond Williams
Board Chairman
Public Services Commission
PO Box 40
St. Thomas, VI 00804

Re: LEAC and Base Rates Adjustments

Dear Commissioner Williams:


I am writing to make clear the Virgin Islands Water and Power Authority's ("VIWAPA") request for the pending LEAC and Base Rates adjustments that are currently before the Commission for consideration. I feel it necessary to clarify misconceptions related to the pending requests and the impact that they have on our customers.

As you can see in the attachment, the total charges billed to our customers will remain exactly the same as the rates that are in effect today. We are requesting a decrease in LEAC of 2.57 C/KWHr and a corresponding increase in all associated Base Rates and Surcharges of 2.57 C/KWHr.

As you know, these permanent Base Rates adjustments must be approved in order to satisfy debt service coverage ratios called for in our bond covenants and to allow certain critical financings to move forward.

Please let me know if you have any questions.

Sincerely,


Lawrence J. Kupfer
Executive Director/CEO

cc: Governor Albert Bryan, Jr.
Samuel Hall, Esq.
Lorelei M. Farrington, General Counsel
Clinton T. Hedrington, Chief Operating Officer – Electric System
Debra E. Gottlieb, Chief Financial Officer
Joan P. Foy, Director of Pricing & Rates & Strategic Planning

Attachment I

	Current	Proposed
Residential		
Fixed Monthly Customer Charge	\$ 4.86	\$ 4.86
Per kWh Charges		
Energy Charge - <250 kWh	\$ 0.150141	\$ 0.231577
Energy Charge - > 250 kWh	\$ 0.176339	\$ 0.257775
Pilot Surcharge	0.000686	0.000686
Self Insurance Surcharge	0.001925	0.001925
Line Loss Program Surcharge	0.002196	Eliminated
OPEB Surcharge (New)		0.002166
Maintenance Surcharge	0.024863	Eliminated
Leased Generation Surcharge	0.030843	Eliminated
LEAC	0.192569	0.166869
Total Residential Charge ≤250 kWh	\$ 0.403223	\$ 0.403223
Total Residential Charge >250 kwh	\$ 0.429421	\$ 0.429421
Commercial		
Fixed Monthly Customer Charge Single Phase	\$ 6.33	\$ 6.33
Fixed Monthly Customer Charge Three Phase	\$ 12.65	\$ 12.65
Per kWh Charges		
Energy Charge	\$ 0.215218	\$ 0.296654
Pilot Surcharge	0.000686	0.000686
Self Insurance Surcharge	0.001925	0.001925
Line Loss Program Surcharge	0.002196	Eliminated
OPEB Surcharge (New)		0.002166
Maintenance Surcharge	0.024863	Eliminated
Leased Generation Surcharge	0.030843	Eliminated
LEAC	0.192569	0.166869
Total Commercial Charge	\$ 0.468300	\$ 0.468300
Large Power - 25,000 kWh		
Customer Charge	\$ 48.67	\$ 48.67
Demand	\$ 2.51	\$ 2.51
Primary Service Discount	\$ (0.33)	\$ (0.33)
Per kWh Charges		
Energy - First Block (First 1000 kwh)	\$ 0.215077	\$ 0.296513
Energy - Second Block (Next 6500 kwh)	\$ 0.197549	\$ 0.278985
Energy - Third Block	\$ 0.151963	\$ 0.233399
Energy - Fourth Block	\$ 0.144838	\$ 0.226274
Pilot Surcharge	0.000686	0.000686
Self Insurance Surcharge	0.001925	0.001925
Line Loss Program Surcharge	0.002196	Eliminated
OPEB Surcharge (New)		0.002166
Maintenance Surcharge	0.024863	Eliminated
Leased Generation Surcharge	0.030843	Eliminated
LEAC	0.192569	0.166869
Total Large Power Charge	\$ 0.417284	\$ 0.417284